

Comments Received - June 24 – July 7, 2006

Comment:

I have a question about the changes to the MBPA that go into effect on Jan. 1, 2007 in which mortgage loan originators will need to be tested, licensed and do yearly continuing education.

There appears to be a clause (in section 3, item 4) about exemptions... I want to be sure I'm reading this correctly... it appears that the licensed mortgage broker can enter into a written agreement with its loan originators in which the licensed mortgage broker assumes responsibility for the loan originator's violation, as long as the licensed mortgage broker maintains a bond.

I want to know more about this as my two independent loan originators have been working with me for years, I trust them wholeheartedly and we work very closely together. If there is a way to exempt them, I'd like to do that.

Comment:

Good Morning everyone, I am writing this letter to per request of Laura Kiel as she expressed further interest in my comment regarding page # 10, "Taking a residential mortgage loan application" means soliciting and wanted to talk further about this in her sub committee meeting. I first would like to thank the panel for listening to my input and adding later in the WAC that soliciting does not mean taking a loan application. However, I don't mean to repeat an issue over and over again, but I just want to feel comfortable with the language, so I have few more concerns regarding this issue. If we look at the new proposed WAC version, "MBWACv20060629" it has a pattern showing **anything in quotes** such as item 1-44 is followed by the word, "means". For example, # 1 states "Act" means, and # 2 states "Advertising Material" means, and so on. If this pattern is to be fluid throughout the document then on page ten the definition regarding "taking a residential mortgage loan application" should be followed by the word "means" and if this is the case than soliciting means, "taking a residential mortgage loan application" and should be removed or revised. Secondly, as a side note I noticed # 29 is missing the word means after the quote of "Loan originator" it should read, "means a natural person..." Thirdly, I don't think it would be consistent to have one part of the WAC state one thing and another section state something else. My suggestion is to just fix page ten. Adding the clarification later is a good thought and much appreciated, but I humbly request we revisit this issue.

lastly, I still think somewhere in the WAC the DFI should make an effort to have one independent contractor with one company like real estate agents. They can not as independent contractors work for two companies in real estate, however, they don't regulate who they work for. This way loan originator can still choose who they work for with out the DFI controlling the independent contractor. For example, stating somewhere in the licensing section and enforcement should state "one loan originator one license". with this mind set we can prevent issues and protect the public from potential harm. Regarding this same issue the LO should state on the point of application or contact with a potential applicant who the LO represents to have an agency established. This is due to if one LO works for two companies which MB will be to blame if fraud occurs or misbehavior occurs while on the phone or before meeting with a potential applicant such as rate quoting, etc. This can be a potential nightmare. If a consumer has a complaint about an LO before agency is established which MB is to blame? If no agency is established with a licensed mortgage broker and the LO license is not attached to that MB license is he or she holding him or herself out? In real estate one has to give out a agency disclosure pamphlet and say who he represents and what kind of agency is being established. This maybe a good idea now for LO's (Its just a thought anyway).

Well I hope this will be resolved and look forward to concluding this issue on the next rule making meeting. Also, thanks for letting me participate in what I think is an important time in our profession.